

## IN THE UNITED STATES DISTRICT COURT

## FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD., ) CIVIL NO. CV 04-00124  
a Japanese corporation, ) ACK/BMK  
Plaintiff, ) CONSOLIDATED CASES  
vs. ) DECLARATION OF  
QK HOTEL, LLC, a Hawai'i ) MICHIHIRO MORI;  
limited liability company, ) EXHIBIT M-1  
et al., )  
Defendants, )  
and )  
FRANKLIN K. MUKAI, )  
Third-Party )  
Plaintiff, )  
vs. )  
SPORTS SHINKO (USA) CO., LTD., )  
a Delaware corporation, et al., )  
Third-Party )  
Defendants. )  
\_\_\_\_\_  
SPORTS SHINKO (USA) CO., LTD., ) CIVIL NO. CV 04-00125  
a Delaware corporation, ) ACK/BMK  
Plaintiff, )  
vs. )  
PUKALANI GOLF CLUB, LLC, a )  
Hawai'i limited liability )  
company, et al., )  
Defendants, )  
and )  
FRANKLIN K. MUKAI, )

Third-Party )  
Plaintiff, )  
)  
vs. )  
)  
SPORTS SHINKO CO., LTD., )  
a Japan corporation, et al., )  
)  
Third-Party )  
Defendants. )  
\_\_\_\_\_  
)  
SPORTS SHINKO (USA) CO., LTD, a ) CIVIL NO. CV 04-00126  
Delaware corporation, ) ACK/BMK  
)  
Plaintiff, )  
)  
vs. )  
)  
KIAHUNA GOLF CLUB, LLC, )  
a Hawai'i limited liability )  
company, et al., )  
)  
Defendants, )  
)  
and )  
)  
FRANKLIN K. MUKAI, )  
)  
Third-Party )  
Plaintiff, )  
)  
vs. )  
)  
SPORTS SHINKO CO., LTD., )  
a Japan corporation, et al., )  
)  
Third-Party )  
Defendants. )  
\_\_\_\_\_  
)  
SPORTS SHINKO CO., LTD., a ) CIVIL NO. CV 04-00127  
Japanese corporation, ) ACK/BMK  
)  
Plaintiff, )  
)  
vs. )  
)  
OR HOTEL, LLC, a Hawai`i )  
limited liability company, )

et al., )  
Defendants, )  
and )  
FRANKLIN K. MUKAI, )  
Third-Party )  
Plaintiff, )  
vs. )  
SPORTS SHINKO (USA) CO., LTD., )  
a Delaware corporation, et al., )  
Third-Party )  
Defendants. )  
----- )  
SPORTS SHINKO (USA) CO., LTD., ) CIVIL NO. CV 04-00128  
a Delaware corporation, ) ACK/BMK  
Plaintiff, )  
vs. )  
MILILANI GOLF CLUB, LLC, )  
a Hawai`i limited liability )  
company, et al., )  
Defendants, )  
and )  
FRANKLIN K. MUKAI, )  
Third-Party )  
Plaintiff, )  
vs. )  
SPORTS SHINKO CO., LTD., )  
a Japan corporation, et al., )  
Third-Party )  
Defendants. )

**DECLARATION OF MICHIIRO MORI**

1. I, Michihiro Mori, am an attorney admitted to practice law in Japan (*bengoshi*) with the law firm of Nishimura & Partners, located at the Ark Mori Building 28<sup>th</sup> Floor, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan. Nishimura & Partners is one of the largest law firms in Japan.

2. I make this Declaration based on personal knowledge. If I were called as a witness, I am competent to testify about the matters stated herein. I am fluent in both Japanese and English, written and spoken.

3. I received my LL.B. from the University of Tokyo in 1993, and an LL.M. from Harvard University in 1999. I was admitted to practice law in Japan in 1995.

4. I was a judge of the Tokyo District Court from 1995 to 1998, and a judge of the Fukuoka District Court from 2003 to 2005.

5. From June 1998 to December 1999, I was in the United States conducting judicial research under the

program managed by the Supreme Court of Japan.

6. After returning from my study abroad, I served as a Staff Attorney in the Civil Affairs Bureau of the General Secretariat of the Supreme Court from 2000 to 2003.

7. Throughout my tenure at the General Secretariat of the Supreme Court, I worked on the comprehensive reform of the Japanese insolvency law, including entire revisions of the Corporate Reorganization Law and laws related to cross-border insolvency. I was in charge of drafting Supreme Court opinions regarding such reforms and discussed each clause of new laws being proposed, including those of the new Corporate Reorganization Law, with staff members of the Ministry of Justice. I personally drafted all of the clauses of the Corporate Reorganization Rules (*Kaisha-kosei-kisoku*, Supreme Court Rule No.2 of 2003) and the Rule on Recognition and Assistance of Foreign Insolvency Proceedings (*Gaikoku-tosan-shori-tetsuzuki- no-shonin-enjo ni kansuru kisoku*, Supreme Court Rule No.129 of 2000), as well

as several other related Supreme Court Rules.

8. While acting as a judge of the Tokyo and Fukuoka District Courts, I presided over several civil litigations which involved the trustees of bankrupt companies and corporate reorganization companies.

9. In April, 2005, I left the bench to enter private practice and joined Nishimura & Partners. I have since practiced in the areas of insolvency (especially corporate reorganization and civil rehabilitation) and litigation, among other areas. I have acted as counsel to a debtor in possession company under the process of civil rehabilitation and acted as counsel to the sponsor of a debtor company under the process of corporate reorganization.

10. I am the author of "Japan Finalizes Insolvency Law Reform," The IFLR Guide to Japan 2006. I have also authored numerous articles in Japanese on corporate reorganization procedures, civil rehabilitation procedures, and cross-border insolvency, among others.

11. In order to prepare this Declaration, I have reviewed the following documents: (a) The Declaration of Takeo Kosugi and the attached Exhibit "K1" ("Opinion Memorandum on Japanese Corporate Reorganization Law") (the "Kosugi Opinion"); (b) The Second Amended Complaints in Civil No. CV-04-00124, CV-04-00127 and CV-04-00128 ACK-BMK; (c) the Purchase and Sale Agreement between certain Sports Shinko Hawaii subsidiaries and KG dated January 15, 2002 and amendments; (d) the KG Defendants' Motion for Reconsideration filed April 12, 2006 (the "Motion") and the Memorandum in Support (the "KG Defendants' Memo"); (e) this Court's Order Denying the KG Defendants' Motion for Summary Judgment dated March 28, 2006; (f) the Bankruptcy Plan for SS-Japan and official Gazette Entries re same; and (g) the transcript of oral arguments before the Honorable Alan C. Kay, United States District Judge, regarding the KG Defendants' Motion for Summary Judgment in Civil No. CV-04-00128 ACK-BMK, dated March 20, 2006.

**OPINION REGARDING JAPAN LAW**

12. A true and correct copy of my Opinion  
Memorandum regarding Japan's Corporate Reorganization  
Law in response to the Kosugi Opinion is attached as an  
Exhibit to this Declaration. The attached Opinion  
Memorandum is a true and accurate statement of the law of  
Japan to the best of my knowledge, and is based on my Japan  
law research and experience.

*I swear under penalty of perjury under the laws of the  
United States of America that the foregoing is true and correct.*

DATED: Tokyo, Japan, May 22, 2006.

/s/ Michihiro Mori  
MICHIHIRO MORI, ESQ.